

DEPARTMENT OF HEALTH SERVICES

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June 6, 1997

PPL No. 97-009

All County Medi-Cal Administrative Activities/
Targeted Case Management Coordinators and
Advisory Committee Members

THE TARGETED CASE MANAGEMENT (TCM) MAXIMUM REIMBURSEMENT AMOUNT

The purpose of this letter is to clarify how the TCM maximum is applied in conjunction with the Federal Medical Assistance Percentage (FMAP) to ascertain the federal share.

The TCM maximum reimbursement amount is established from the costs in the annual cost report, pursuant to Title 22, of the California Code of Regulations, Section 51535.7. Please refer to Policy and Procedure Letter (PPL) No. 96-012 regarding the preparation of cost reports. The annual cost report is used to determine the cost per TCM encounter which is subsequently used as the basis for the annual TCM encounter rate. The TCM maximum reimbursement amount is the projected number of Medi-Cal encounters for the current fiscal year multiplied by the TCM encounter rate.

The TCM maximum amount in the box on the TCM rate letter issued by the Department of Health Services (Sample 1) must be multiplied by the appropriate FMAP to determine the maximum reimbursable federal share, commonly referred to as "the cap". The TCM maximum amount is equal to line 22, of Worksheet A of the cost report and represents one hundred percent (100%) of reported TCM costs. The TCM maximum amount multiplied by the FMAP represents the maximum amount the local governmental agency will be reimbursed. Local governmental agencies will receive payment equal to the number of accepted Medi-Cal encounters multiplied by the appropriate TCM encounter rate, then the FMAP.

The FMAP was increased from 50.00% to 50.23%, effective October 1, 1996. The rate change to the Medical Assistance will be applied as follows:

TCM - Expenditures will be reported by the dates on the backup material that is attached to the invoice sent to the Department of Health Services by the local governmental agencies. These dates are based on the period of service. Therefore, both the 50.00% FMAP rate or the 50.23% FMAP rate could apply.

All County Medi-Cal Administrative Activities/
Targeted Case Management Coordinators and
Advisory Committee Members
PPL No. 97-009
Page 2

The 50.00% FMAP rate will apply to claims for TCM services provided prior to October 1, 1996. The 50.23% FMAP rate will apply to claims for TCM services provided on or after October 1, 1996. For example:

Accepted Encounters x Rate x FMAP = Payment

For claims prior to September 30, 1996

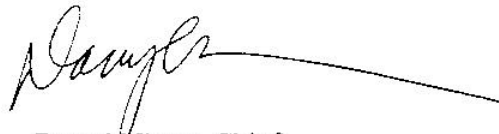
20 x \$100.00 x 50.00% = \$1000.00

For claims on or after October 1, 1996

20 x \$100.00 x 50.23% = \$1004.60

If you have any questions regarding this matter, please contact the Federal Liaison Unit analyst assigned to your local governmental agency.

Sincerely,



Darryl Nixon, Chief
Medi-Cal Benefits Branch

Enclosure

Targeted Case Management:	
Medi-Cal Administrative Activities:	X
Policy Effective Date:	7-1-95
Policy Reference:	PPL No. 96-012

cc: See next page.

Ali County Medi-Cal Administrative Activities/
Targeted Case Management Coordinators and
Advisory Committee Members
PPL No. 97-009
Page 3

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